



A COMPARATIVE ANALYSIS OF SCHEDULED COMMERCIAL BANK DEPOSIT MOBILISATION IN HIMALAYAN STATES OF INDIA: EVIDENCE FROM 2013–2025

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ABSTRACT

Deposit mobilisation is a key function of the banking sector, providing funds for credit creation and economic development. Scheduled Commercial Banks (SCBs) play an important role in mobilising deposits; however, deposit performance varies across states due to differences in regional development, banking infrastructure, and socio-economic conditions. This study compares the deposit performance of Scheduled Commercial Banks in Uttarakhand and Himachal Pradesh during 2013–2025 using secondary data from the Basic Statistical Returns of Scheduled Commercial Banks in India published by the Reserve Bank of India. The analysis employs descriptive statistics, annual growth rates, Compound Annual Growth Rate (CAGR), trend analysis, an independent-samples t-test, and correlation analysis. The results show that Uttarakhand maintained a higher deposit base than Himachal Pradesh throughout the study period. Although both states recorded similar deposit growth, Uttarakhand achieved a marginally higher CAGR. The independent-samples t-test indicates a statistically significant difference in average deposits, while correlation analysis reveals a very strong positive relationship between the deposit trends of the two states. The study highlights regional differences in deposit mobilisation and contributes to the understanding of the comparative performance of Scheduled Commercial Banks in the two Himalayan states.

KEYWORDS: Scheduled Commercial Banks, Deposit Mobilisation, Banking Performance, Compound Annual Growth Rate (CAGR).

1. INTRODUCTION

The banking sector is a cornerstone of economic development, facilitating the mobilisation of savings and the allocation of financial resources to productive sectors of the economy. Among the various functions performed by banks, deposit mobilisation is of particular importance because deposits constitute the primary source of funds for lending, investment, and other banking operations. In India, Scheduled Commercial Banks (SCBs) represent the largest segment of the banking system and perform a vital role in financial intermediation by mobilising deposits from households, businesses, and institutions (Mishra & Narwade, 2018). The strength of a bank's deposit base is widely regarded as an important indicator of its financial performance, as the capacity to extend credit and support economic activity largely depends on the availability of deposit resources. Furthermore, deposit mobilisation reflects the level of public confidence in the banking system and the extent of financial participation within an economy. As noted by Subbiah and Alagarsamy (2017), the analysis of deposit growth provides valuable insights into the operational progress and performance of commercial banks.

Over the past decade, deposits with Scheduled Commercial Banks in India have increased steadily, supported by improvements in banking infrastructure, greater financial inclusion, and wider access to banking services. Despite this overall growth, the pace and magnitude of deposit mobilisation differ across states due to variations in economic development, demographic characteristics, banking penetration, and regional socio-economic conditions. Consequently, state-level analysis is essential for understanding regional disparities in banking performance. This is particularly relevant for hill states, where geographical constraints and distinct developmental characteristics may influence banking activities and deposit growth. Uttarakhand and Himachal Pradesh, two prominent Himalayan states, present an appropriate context for examining these regional differences. Although earlier studies have investigated deposit mobilisation and banking growth at the national and regional levels, relatively few have undertaken a comparative analysis of Scheduled Commercial Bank deposits between these two states using recent state-wise banking data. To address this gap, the present study analyses and compares the deposit performance of Scheduled Commercial Banks in Uttarakhand and Himachal Pradesh during the period 2013–2025.



1.1 Objectives of the Study

The study aims to:

1. Analyse the trend of Scheduled Commercial Bank deposits in Uttarakhand and Himachal Pradesh during the study period.
2. Examine the growth performance of SCB deposits in both states by using annual growth rates and Compound Annual Growth Rate (CAGR).
3. Compare the deposit performance of Uttarakhand and Himachal Pradesh using descriptive statistical measures.
4. Examine whether there is a statistically significant difference in SCB deposit mobilisation between Uttarakhand and Himachal Pradesh.
5. Analyse the relationship between SCB deposits of Uttarakhand and Himachal Pradesh during the study period.

2. REVIEW OF LITERATURE

The literature on banking performance has widely examined deposit mobilisation, deposit growth, and regional variations in banking development, providing a foundation for understanding the performance of Scheduled Commercial Banks.

Roy (2003) examined the dynamics of bank deposits in selected developing states of India, including Himachal Pradesh. The study found that regional differences in economic conditions, banking infrastructure, and financial accessibility influence deposit mobilisation and highlighted its importance in strengthening banking resources and financial intermediation.

Venkatesan (2012) examined the trends and growth of deposit mobilisation by Scheduled Commercial Banks in Tamil Nadu during the period 1999–2000 to 2008–2009. The analysis covered current, savings, and term deposits using descriptive statistics, Compound Growth Rate (CGR), and Linear Growth Rate (LGR). The results demonstrated consistent growth across all categories of deposits, indicating a steady expansion in deposit mobilisation by Scheduled Commercial Banks during the study period.

Vemulapalli and Anthuvan (2016) analysed deposit growth in Primary Agricultural Credit Cooperative Societies (PACS) in India during 2001–2014. The study reported a CAGR of 14% and found that membership and Gross Value Added (GVA) in agriculture positively and significantly influenced deposit mobilisation.

Singh (2017) examined regional disparities in commercial banking development across Indian states using branch expansion, deposit mobilisation, and credit deployment. The study found significant regional disparities, indicating that banking development and deposit mobilisation are not uniform across the country.

Mishra and Narwade (2018) investigated deposit mobilisation in Scheduled Commercial Banks in India using secondary data and examined its association with economic growth. The study found that bank deposits are a major source of funds for commercial banks and that sustained deposit growth strengthens banking operations and reflects the development of the banking sector.

Sharma (2020) investigated the growth and development of Regional Rural Banks in Himachal Pradesh by analysing branch expansion, deposit mobilisation, and credit deployment during the period 2001–2019. The findings indicated substantial improvement in deposit mobilisation and credit deployment; however, regional disparities among districts continued to persist.

Malik et al. (2024) examined the credit–deposit ratio of Scheduled Commercial Banks in India and observed that credit expansion outpaced the growth of deposits, resulting in an increase in the credit–deposit ratio. The study emphasised that sustained deposit mobilisation is essential for supporting credit growth and maintaining the financial stability of the banking sector.

Sudha (2022) analysed deposit mobilisation in selected commercial banks in India by examining demand, savings, and term deposits for the period 2011–12 to 2020–21. Using descriptive statistics and Compound Annual Growth Rate (CAGR), the study assessed the growth pattern of different categories of deposits and highlighted the steady progress of deposit mobilisation in the selected commercial banks.

The reviewed literature indicates that previous studies have examined deposit mobilisation, banking performance, and regional disparities from different perspectives. However, limited research has compared Scheduled Commercial Bank deposits in Uttarakhand and Himachal Pradesh using recent state-wise data. To address this gap, the present study compares SCB deposits in the two states during 2013–2025 using growth rate, Compound Annual Growth Rate (CAGR), standard deviation, an independent-samples *t*-test, and correlation analysis.

3. RESEARCH METHODOLOGY

3.1 Research Design

This study adopts a descriptive and comparative research design to analyse the trend, growth, and comparative performance of Scheduled Commercial Bank (SCB) deposits in Uttarakhand and Himachal Pradesh during 2013–2025.

3.2 Data Source and Study Period

The study is based on secondary data obtained from the *Basic Statistical Returns of Scheduled Commercial Banks in India* published by the Reserve Bank of India (RBI). Data were collected from Table 155: State-wise Deposits by Scheduled Commercial Banks in India (As at end-March) for the period 2013–2025, comprising 13 annual observations for Uttarakhand and Himachal Pradesh. SCB deposits are measured in ₹ crore.

3.3 Scope of the Study

The study compares Scheduled Commercial Bank deposits only in Uttarakhand and Himachal Pradesh to examine deposit mobilisation, growth performance, differences in deposit levels, and deposit trends during the study period.

3.4 Variables of the Study

- **Grouping Variable:** State (Uttarakhand and Himachal Pradesh)
- **Dependent Variable:** Scheduled Commercial Bank deposits (₹ crore)

3.5 Statistical Tools Used

The analysis employs descriptive statistics (mean, maximum, minimum, and standard deviation), annual growth rate, Compound Annual Growth Rate (CAGR), trend analysis, an independent-samples *t*-test (Welch's *t*-test), and correlation analysis to evaluate deposit performance and compare the two states.

Hypotheses

H₀: There is no statistically significant difference in SCB deposit mobilisation between Uttarakhand and Himachal Pradesh.

H₁: There is a statistically significant difference in SCB deposit mobilisation between Uttarakhand and Himachal Pradesh.

4. DATA ANALYSIS

Deposits by Schedule Commercial Banks in India (As at end-March)

Year	UK (Uttarakhand) in crore	Uttarakhand Growth %	HP (Himanchal Pradesh) in crore	Himanchal Pradesh Growth %
2013	65900		45000	
14	76000	15.33	52000	15.56
15	88600	16.58	59900	15.19
16	96500	8.92	66300	10.68
17	114114	18.25	78523	18.44
18	122500	7.35	84900	8.12
19	137040	11.87	95529	12.52
20	149549	9.13	103545	8.39
21	165333	10.55	112344	8.50
22	180784	9.35	123672	10.08
23	200425	10.86	136486	10.36
24	222835	11.18	150334	10.15
2025	246010	10.40	162531	8.11
Total	1865590.00		1271064.00	
Mean	143506.92		97774.15	
Maximum	246010.00		162531.00	
Minimum	65900.00		45000.00	
Standard Deviation	57077.03		37878.89	
CAGR %	11.60		11.30	

Table 4.1

Source: Basic Statistical Returns (BSR 1&2) of Scheduled Commercial Banks in India, RBI, Various issues. **Note 1.** States as per place of sanction. **2.** Deposits exclude inter-bank deposits. **3.** Difference in Total may occur due to rounding-off **4.** State Himanchal Pradesh comes in northern region **5.** State Uttarakhand comes under central region.

Interpretation of Descriptive Statistics and Growth Analysis

The descriptive statistics indicate that Uttarakhand maintained a higher SCB deposit base than Himachal Pradesh throughout the study period. Both the total and average deposits, as well as the maximum and minimum deposit values, were consistently higher in Uttarakhand. The higher standard deviation in Uttarakhand reflects greater variation in deposits, primarily due to its larger deposit base. Both states recorded positive year-wise growth in SCB deposits during the study period. Although Uttarakhand achieved a

slightly higher CAGR (11.60%) than Himachal Pradesh (11.30%), the difference was marginal, indicating a similar long-term growth pattern. Overall, Uttarakhand outperformed Himachal Pradesh in terms of absolute deposit mobilisation, while both states exhibited comparable growth trends.

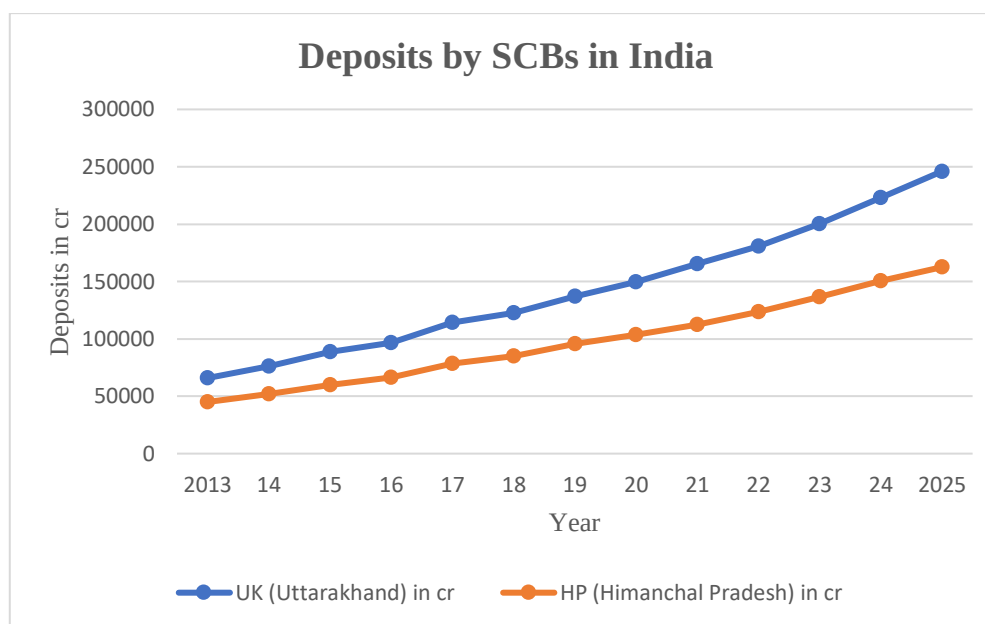


Figure 4.1 Figure 1 presents the trend of Scheduled Commercial Bank (SCB) deposits in Uttarakhand and Himachal Pradesh during 2013–2025. The figure shows a continuous upward trend in SCB deposits in both states, indicating steady growth in deposit mobilisation over the study period. Uttarakhand consistently recorded higher deposit levels than Himachal Pradesh, reflecting a stronger deposit base throughout the period. Although both states followed a similar growth pattern, the gap in deposit levels remained evident across the years. Overall, the figure highlights sustained growth in SCB deposits in both hill states, with Uttarakhand maintaining a comparatively higher level of deposits than Himachal Pradesh.

Welch's Two-Sample t-Test Results

t-Test: Two-Sample Assuming Unequal Variances		
	UK (Uttarakhand) in cr	Himanchal Pradesh (HP) in cr
Mean	143506.9231	97774.15385
Variance	3257787739	1434810412
Observations	13	13
Hypothesized Mean Difference	0	
df	21	
t Stat	2.407090913	
P(T<=t) one-tail	0.012681299	
t Critical one-tail	1.720742903	
P(T<=t) two-tail	0.025362599	
t Critical two-tail	2.079613845	

Table 4.2

Interpretation- The independent sample t-test (Welch's test) results indicate that there is a statistically significant difference in the mean SCB deposits of Uttarakhand and Himanchal Pradesh during the period 2013–2025. Uttarakhand recorded a higher average SCB deposit level (₹143,506.92 crore) compared with Himanchal Pradesh (₹97,774.15 crore). The obtained p-value (0.025) is lower than the 5% significance level (0.05), indicating that the difference between the two states is statistically significant. Therefore, the null hypothesis is rejected, and it can be concluded that the deposit mobilisation performance of SCBs differs significantly between Uttarakhand and Himanchal Pradesh. The result suggests that Uttarakhand has maintained a comparatively stronger position in terms of SCB deposits during the study period.

Correlation between SCB Deposits of Uttarakhand and Himachal Pradesh (2013–2025)

States	UK (Uttarakhand) in crore	HP (Himanchal Pradesh) in crore
UK (Uttarakhand) in cr	1	
HP (Himanchal Pradesh) in cr	0.999241544	1

Table 4.3

Interpretation- The correlation analysis reveals a very strong positive relationship between the Scheduled Commercial Bank (SCB) deposits of Uttarakhand and Himachal Pradesh during 2013–2025, with a correlation coefficient of **0.999**. This indicates that SCB deposits in both states followed a highly similar upward trend over the study period. Accordingly, the null hypothesis of no significant relationship is rejected, suggesting a strong positive association between the deposit trends of the two states. However, the correlation indicates only the strength of association and does not imply a cause-and-effect relationship.

5. MAJOR FINDINGS OF THE STUDY

The major findings of the study based on the analysis of Scheduled Commercial Bank (SCB) deposits in Uttarakhand and Himachal Pradesh during 2013–2025 are as follows:

1. Descriptive analysis shows that Uttarakhand consistently recorded higher SCB deposits than Himachal Pradesh throughout the study period. The average deposit level was ₹1,43,506.92 crore in Uttarakhand compared with ₹97,774.15 crore in Himachal Pradesh, indicating a stronger deposit base in Uttarakhand.
2. Trend analysis reveals a continuous increase in SCB deposits in both states, reflecting sustained growth in deposit mobilisation during the study period.
3. Growth analysis indicates that both states experienced a comparable pace of deposit growth. Uttarakhand recorded a Compound Annual Growth Rate (CAGR) of 11.60%, while Himachal Pradesh recorded 11.30%, despite differences in their overall deposit volumes.
4. The independent-samples *t*-test confirms a statistically significant difference in the average SCB deposits of the two states, as the *p*-value was below the 5% significance level, leading to the rejection of the null hypothesis.
5. Correlation analysis reveals a very strong positive relationship between SCB deposits in Uttarakhand and Himachal Pradesh, with a correlation coefficient of 0.999, indicating that deposit growth followed a similar pattern in both states.

Overall, the findings suggest that Uttarakhand maintained a stronger deposit base, while both states exhibited steady and comparable growth in Scheduled Commercial Bank deposits over the study period.

6. CONCLUSION

This study examined the trend, growth, and comparative performance of Scheduled Commercial Bank (SCB) deposits in Uttarakhand and Himachal Pradesh during 2013–2025. The findings show that SCB deposits increased steadily in both states, indicating sustained growth in banking activities and deposit mobilisation. Throughout the study period, Uttarakhand maintained a larger deposit base than Himachal Pradesh, as reflected in its higher average and overall deposit volume. Although Uttarakhand recorded a marginally higher Compound Annual Growth Rate (CAGR), both states exhibited a broadly similar growth pattern. The independent-samples *t*-test confirmed a statistically significant difference in average deposit levels between the two states, whereas the correlation analysis revealed a strong positive association in their deposit trends. Overall, the study highlights regional differences in deposit mobilisation while demonstrating that both Himalayan states experienced consistent growth in Scheduled Commercial Bank deposits during the study period.

7. LIMITATIONS OF THE STUDY

The findings of this study should be interpreted in light of the following limitations:

1. The analysis is confined to Uttarakhand and Himachal Pradesh and, therefore, may not represent deposit performance across all Indian states.
2. The study focuses exclusively on Scheduled Commercial Bank deposits and does not consider other banking indicators, such as credit growth, digital banking transactions, or financial inclusion.
3. The analysis relies on secondary data published by the Reserve Bank of India and is subject to the accuracy and availability of those data.
4. The study covers the period from 2013 to 2025; developments beyond this period are outside its scope.
5. The study emphasises statistical comparison and does not examine the socio-economic or institutional factors that may influence deposit growth in the selected states.

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